

Amendments to the Claims:

1. (Previously Presented) A package for mailing items from a merchant to a customer, the package comprising:

at least one surface, the surface having a bar code thereon; wherein the bar code identifies the customer.

2. (Previously Presented) The package of Claim 1, wherein the bar code includes a complete order and return history for the customer.

3. (Previously Presented) The package of Claim 1, wherein the package is marked by the merchant with the return mailing address of the merchandise.

4. (Previously Presented) The package of Claim 1, wherein scanning the bar code enables the merchant to identify items or categories of items in which the customer is interested.

5. (Previously Presented) A method of tracking an order and return history of a customer, the method comprising the steps of:

providing a package including a bar code that identifies the customer;

receiving the package from the customer, the package containing returned items;

scanning the bar code to identify the customer;

inputting the returned items into an inventory database; and

updating the customer's order and return history.

6. (Previously Presented) The method of Claim 5, wherein the steps of inputting the returned items into the inventory database and updating the customer's order and return history are performed simultaneously.

7. (currently amended) A method of targeted advertising, the method comprising the steps of:

accumulating information about orders placed by a customer;

analyzing the information;

predicting, based on the information, what type of items the customer is likely to purchase in the future; and

mailing the customer an item in response to a request by the customer; and

providing the customer with advertising directed toward those items along with the item~~by mail~~.

8. (Previously Presented) The method of Claim 7, the method further comprising the step of:

providing a package including a bar code that identifies the customer.

9. (Previously Presented) The method of Claim 8, the method further comprising the step of:

receiving an order from the customer.

10. (Previously Presented) The method of Claim 9, the method further comprising the step of:

scanning the customer's bar code.

11. (Previously Presented) The method of Claim 8, wherein the advertising is provided to the customer in a second package that includes the customer's bar code.

12. (Previously Presented) The method of Claim 11, the method further comprising the step of sending the second package to the customer.

13. (Previously Presented) The package of Claim 1, wherein the bar code includes information on orders and returns for the customer.

14. (Previously Presented) The package of Claim 1, wherein the customer is identified by name.

15. (Previously Presented) The package of Claim 1, wherein the customer is identified by address.

16. (Previously Presented) The package of Claim 4, wherein information on at least one item in which the customer is interested is included in the package.

17. (Previously Presented) The method of Claim 5, wherein items are returned because the customer found them unacceptable.

18. (Previously Presented) The method of Claim 7, wherein the advertising is provided in a mailed packaging containing an item ordered by the customer.

19. (Previously Presented) The method of Claim 7, wherein the advertising is selected based at least in part on the return history of the customer.

20. (New) A method of targeted advertising, the method comprising the steps of:

accumulating information about orders placed by a customer;

analyzing the information;

predicting, based on the information, what type of items the customer is likely to purchase in the future;

mailing the customer an item in response to a request by the customer;

providing the customer with advertising directed toward those items by mail, wherein the advertising is selected at least in part on the return history of the customer.